



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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Chief Executive Officer

Board of Supervisors
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First District

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Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

September 1, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

**THIRD STATUS REPORT ON CONTRACTS WITH ARIZONA-BASED COMPANIES
(ITEM S-1, AGENDA OF JUNE 1, 2010)**

On June 1, 2010, your Board adopted a motion, as recommended by Supervisors Molina and Yaroslavsky, to oppose Arizona law Senate Bill (SB) 1070 related to enforcement of federal immigration laws. Included in this multi-part motion, your Board directed the following:

- Direct the Chief Executive Office (CEO), in consultation with County Counsel, to review the terms of all existing contracts with Arizona-based or headquartered companies and report to the Board in two weeks on how and within what time frame these contracts may be legally terminated, without causing undue harm to the County's interests; and
- Direct County Counsel, the CEO, and the Internal Services Department (ISD) to report to the Board in two weeks with recommendations as to further Board action, including ordinance amendments, if any, deemed necessary to fully effectuate this resolution.

On June 17 and July 30, 2010, we provided status reports to your Board regarding the work that was in progress to respond to these directives. This third status report describes: (1) the current litigation status in U.S. District Court, and (2) the remaining action items pertaining to the motion.

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Status of Current Litigation on SB 1070

As reported in our July 30, 2010, status report, the court issued an order on July 28, 2010, partially granting the Motion effectively keeping the most controversial provisions of SB 1070 from taking effect, including those that (1) call for police officers to check a person's immigration status while enforcing other laws, (2) require immigrants to apply for, and carry, alien registration papers, (3) create a crime for an unauthorized alien to solicit, apply for, or perform work, and (4) authorize the warrantless arrest of a person where there is probable cause to believe the person has committed a public offense that makes the person removable from the United States.

On July 29, 2010, Arizona filed an interlocutory appeal of the July 28, 2010, decision in the Ninth Circuit Court of Appeals. On July 30, 2010, the Ninth Circuit denied Arizona's request to expedite this case beyond the normal rules governing appeals of preliminary injunctions. Arizona's opening brief was filed on August 26, 2010. Answering briefs are due by September 23, 2010. An optional reply brief will be due within 14 days after service of the answering brief. The court will hear arguments the first week of November, in San Francisco, California.

The Preliminary Injunction issued under the Order continues to be in effect, and County Counsel will continue to monitor the status of such litigation and report to your Board any further developments as they occur.

Departmental Review of Contracts with Arizona-based Businesses

On June 25, 2010, this Office issued instructions to departments to identify the exemption criteria and the process for departments to seek exemptions. Departments were instructed to coordinate the review of the applicable contracts with their respective deputy County Counsels, and to forward their justifications for exemption to their CEO budget analysts for review and approval of the exemption.

This Office has worked with departments to finalize the following lists of Arizona-based businesses:

- Contracts to be considered for termination with prior written notice to contractor. Terminating such contracts would not appear to result in a significant negative operational or financial impact to the County; and
- Contracts that have been identified as qualifying for an exemption from the Board's directive to terminate. This determination is based on the criteria

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identified in the June 25, 2010, memo, and on justifications provided by departments.

Termination of Contracts with Arizona-based Businesses

As previously noted, your Board's June 1, 2010, motion indicated that the Board's "directive shall be lifted upon the suspension or repeal of SB 1070." Given the court's preliminary injunction to prevent Arizona from implementing major portions of Assembly Bill 1070, this Office will continue to hold in abeyance the termination process for Arizona-based contracts pending a legal resolution of this matter. Likewise, based on the uncertainty regarding the current litigation, County Counsel has deferred formalizing a contract termination process.

County Counsel will continue to monitor the status of this litigation. When significant events occur, we will advise your Board.

If you have any questions, or require further information on this matter, please contact Ellen Sandt, Deputy Chief Executive Officer at (213) 974-1186 or via email at esandt@ceo.lacounty.gov.

WTF:BC:ES
GS:cg

c: Executive Office, Board of Supervisors
County Counsel
Internal Services